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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5940-N-01]

**Notice of Extension of Time for Completion of Manufacturer
Corrections Approved Under a Waiver of a Plan for Notification**

AGENCY: Office of the Assistant Secretary for Housing – Federal Housing Commissioner, Department of Housing and Urban Development (HUD).

ACTION: Notice of Extension of Time

SUMMARY: This notice advises the public that HUD received a request from Clayton Homes (Clayton) for an extension of time to fully implement its plan to correct affected homes without implementation of a Plan of Notification. Certain manufactured homes built and sold by Clayton contained certain Nortek furnace models with the potential for incorrect wiring of circuit breakers used for over-current protection of the furnace. After reviewing Clayton's request, HUD determined that Clayton has shown good cause and granted its request for an extension. The requested extension is granted until May 12, 2016.

FOR FURTHER INFORMATION CONTACT: Pamela Beck Danner, Administrator, Office of Manufactured Housing Programs, Office of Housing Department of Housing and Urban Development, 451 Seventh Street, SW, Room 9166, Washington, DC 20410, telephone 202-708-6423 (this is not a toll-free number). Persons who have difficulty hearing or speaking may access this number via TTY by calling the toll-free Federal Relay Service at 800-877-8339.

DATES: Effective Date: March 21, 2016.

SUPPLEMENTARY INFORMATION:

The National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5401-5426) (the Act) authorizes HUD to establish the Federal Manufactured Home

Construction and Safety Standards (Construction and Safety Standards), codified in 24 CFR part 3280. Section 615 of the Act (42 U.S.C. 5414) requires that manufacturers of manufactured homes notify purchasers if the manufacturer determines, in good faith, that a defect exists or is likely to exist in more than one home manufactured by the manufacturer and the defect relates to the Construction and Safety Standards or constitutes an imminent safety hazard to the purchaser of the manufactured home. The notification shall also inform purchasers whether the defect is one that the manufacturer will have corrected at no cost or is one that must be corrected at the expense of the purchaser/owner. The manufacturer is responsible to notify purchasers of the defect within a reasonable time after discovering the defect.

HUD's procedural and enforcement provisions at 24 CFR part 3282, subpart I (Subpart I) implement these notification and correction requirements. If a manufacturer determines that it is responsible for providing notification under § 3282.405 and correction under § 3282.406, the manufacturer must prepare a plan for notifying purchasers of the homes containing the defect pursuant to §§ 3282.408 and 3282.409. Notification of purchasers must be accomplished by certified mail or other more expeditious means that provides a receipt. Notification must be provided to each retailer or distributor to whom any manufactured home in the class of homes containing the defect was delivered, to the first purchaser of each manufactured home in the class of manufactured homes containing the defect, and to other persons who are a registered owners of a manufactured home in the class of homes containing the defect. The manufacturer must complete the implementation of the plan for notification and correction on or before the deadline approved by the State Administrative Agency or HUD. Pursuant to §3282.407(c), manufacturers may request a waiver of the notification requirements if all affected homes have been identified

and the manufacturer agrees to correct all affected homes within a specific time from the approval date.

Under § 3282.410(c), the manufacturer may request an extension of a previously established deadline if it shows good cause for the extension and the Secretary of HUD decides that the extension is justified and not contrary to the public interest. If the request for extension is approved, § 3282.410(c) requires that HUD publish notice of the extension in the Federal Register.

On December 31, 2015, Clayton¹ notified HUD and requested a waiver of notification for certain manufactured homes that contained furnaces with circuit breaker wiring labels that if followed, would result in incorrect electrical circuit completion. Specifically, the homes were installed with certain Nortek furnaces, which were subsequently voluntarily identified by Nortek as being affected by its labeling problem. HUD approved Clayton's waiver request on January 13, 2016. On March 21, 2016, Clayton submitted a request for an extension regarding the completion of corrections required, originally to be completed within 60 days of HUD's waiver approval (by March 13, 2016). Pursuant to its waiver request, Clayton stated that it was working with the furnace manufacturer (Nortek) to correct affected homes in the hands of consumers.

Clayton, by letter dated March 21, 2016, requested an extension of 60 days to complete the correction process. This notice advises that HUD on March 21, 2016, concluded that Clayton has shown good cause and that the extension is justified and not contrary to the public interest, and granted the requested extension until May 12, 2016. This extension permits Clayton to continue its good faith efforts to correct affected homes at no cost to affected homeowners.

¹ Information about Clayton Industries can be found at <http://www.ClaytonHomes.com>.

Dated: April 4, 2016

Pamela Beck Danner, Administrator
Office of Manufactured Housing Programs

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